GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:960
ANSWERED ON:23.11.2007
INDIAN BANK BRANCHES ABROAD
Jindal Shri Naveen

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to open more Indian Bank branches abroad, particularly in USA and Pakistan;

(b) if so, the details thereof;

(c) whether the matter has been taken up with the concerned countries; and

(d) if so, their reaction in this regard?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : The decision to open a branch / office abroad is a decision to be taken by the banks in accordance with their business plans. The applications of Indian banks for opening of their branches / offices abroad are considered by Reserve Bank of India (RBI) / Government under the applicable laws, regulations, norms and procedures.

As regards opening of Indian banks` branches in United States of America (USA), out of the applications of three Indian banks for a branch licence in the United States of America (USA), the Federal Reserve Board of the USA has recently approved the proposal of ICICI Bank to upgrade its Representative Office into a Bank Branch. The other two proposals of State Bank of India (SBI) and Bank of Baroda (BoB) for opening additional branches in USA have not yet been approved. The delay in SBI and BoB obtaining a licence for their additional branches in USA has been taken up by the Government and the Reserve Bank of India with their counter-parts in the USA.

As regards Indian banks` presence in Pakistan, an understanding has been reached between the RBI and the State Bank of Pakistan (SBP) on granting permission for opening two branches of banks from India and Pakistan in each others` country, on a reciprocal basis. The specific banks to be permitted to open the branches would be mutually agreed upon by RBI and SBP keeping in view their respective regulatory policies and procedures.